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What America Asks from Other Nations

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THE MONETARY CONFERENCE.

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WHAT AMERICA ASKS FROM OTHER NATIONS. 2

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ADDRESS

OF

HON. WILLIAM M. EVARTS,

OF THE UNITED STATES COMMISSION,

AT THE CLOSE OF THE FIRST SESSION OF THE CONFERENCE HELD AT PARIS IN MAY, 1881.

NEW YORK:
DOUGLAS TAYLOR, PRINTER, CORNER NASSAU AND FULTON STREETS.
1881.

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MR. PRESIDENT AND GENTLEMEN OF THE CONFERENCE: The first disturbance in what was a satisfactory condition in the working of the money market of the world—become so by either a fortuitous or a circumspect consent which had obtained between the nations theretofore—the first disturbance in that condition of things grew out of the debates, and came as a sequel, of a conference that really had no function or duty in the matter which we now discuss. The Conference of 1867, meeting for and undertaking to treat that important consideration of convenience and utility, the unification of the coins used in the computations and the transactions of the world, naturally, under a scientific, a mathematical, a symmetrical consideration of the subject, felt that if there were but one metal money in the world it would be easier to have a universal system of coinage. Bent, with the zeal of their work, upon accomplishing that secondary result, and finding that the reduplicated impediments grew out both of the use of the two metals and of the great diversity of coinage in the two, they thought that the way to get at a unity of coinage was to have but one metal in the service of the world for its money. This was a clear subordination of the end to the means; this was a sacrifice of money that could not be spared in its volume and in its force, in order that the symmetry of the mintage might be more conveniently attained. This was in the nature of a sacrifice of the great and manifold transactions of an open commerce to the convenience and the simplicity of the bookkeeping which records it.

Unluckily, this scientific appreciation fell upon two great

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countries under circumstances which hid, perhaps, from their eyes the mischiefs, and made of less consideration the responsibilities of an effort toward the demonetization of silver. Germany, interested in its own unification—the great political transaction of our age—found political reasons why the unity of money in Germany was of great importance to the unity of society and of the State. Then this unhappy idea, that as the diversity was most in the silver, and the habits, antagonisms and preferences of the people were most involved with the silver, if you would unify the money by having only the gold, the empire with its golden currency would easily master the suppression of the diversities of the inferior coinage. In the United States these ideas of the Conference of 1867 reached us when we were using neither silver nor gold, and when the public mind was inattentive to the consideration of so intimate, so comprehensive, so universal an influence upon all the interests of a state as a change in their money might exert. In the presence, then, of the fact that neither silver nor gold was the practical and present money in our daily use, the money in which we, to the common apprehension, had to accommodate our relations to the other nations of the world, the movement took place, by the Act of 1873—a coinage act, as I understand it to have been—which, under this unlucky incident of regulating coin, has seemed to suppress one-half the intrinsic money of the state.

In 1878 the United States, looking back upon their grave experience in relation to disordered money, looking forward to the great restoration of the firm footing of money on a metallic basis, which they had planned by legislation, and to which they were shaping their financial energies, and seeing that the question whether our currency at home could be made stable and safe in its relation to intrinsic money, and whether we could, in the anticipated renovation of our commerce, for which we were preparing, hold that share of the intrinsic money of the world that was necessary for our transactions of domestic traffic and foreign commerce—in

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this situation, I say, the United States came to the conclusion that, as there never had been a time in history when both silver and gold had not been necessary and been used as money, as there never had been a time in history when their united strength was more than adequate for the unfolding progress of society, so, above all things, at this age and in the actual circumstances of the world was this true. In the immense development of representative or secondary money, in the immense expansion and the international relations of commerce, and in the multiplication of the daily uses of money brought about by rapid transportation and telegraphic communication, the attempt at a permanent basis for our domestic circulation and for our participation in the commerce of the world upon less than the broad basis, the united strength, firmness and fixity of the two metals, seemed a vain hope.

This led to our legislation of 1878. You will readily understand that, in face of the movement in Germany, in face of the disorder apparent in the Latin Union system, in face of the discrepancy between the Indian circulation and the home circulation of England, it was not for the United States, however firm their faith, however assured their principles, to throw open their mint, as the only one in the system of Western nations, to the free coining of silver. We undertook then its limited coinage, we gave the coined dollar full legal tender faculty, but the mutation of the metal into coins was reserved to the Government. This method did not accredit silver as entitled to be turned by its owners into money by the stamp of our mint, but allowed only an acquisition of the bullion and the conversion into coin by the Government on its own account. It is not necessary for me to allude to the diversity of political or economic opinions which led to the bill taking the precise form it did. That it did not overlook that it was made in full appreciation of an international situation, is proclaimed by that clause in the bill which provided for the calling by our country of a conference of nations on their monetary

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system. The problem that was too much for any one nation —the problem of a fixity of a ratio between silver and gold which should make one money out of the two metals for all the world—was to be made the subject of joint consideration by the nations most interested in that problem. The nations took at least no offence at this invitation, and the politeness of the French Government gave us all the hospitality for that Conference that they could have accorded to it had it been called by France. But what was that Conference in its attitude either of hope or fear? What conclusion, what result, flowed from it? Germany was not represented at all. England was present in the body, but absent in the spirit. France and its group of nations occupied only an expectant attitude. The United States found—to their appreciations, to the arguments by which they supported them, to their warnings, to their fears, to their hopes—no response that, by way of action or by way of assurance of action, they could carry home as a result. But we did obtain from the Conference this conclusion, this concurrent sentiment—that, if nothing could be done or promised in the direction which we desired the movement to take, nothing could be tolerated in the opposite direction; that the united nations entertained a hope that natural causes would bring a reaction to set things right, and that their best wishes for so desirable an end would accompany any efforts that the United States or any other Power might make to relieve the situation from its admitted difficulties and dangers.

The United States Government was not disturbed in its convictions nor swerved in its conduct by the imperfect treatment which the subject received from that Conference. It has gone on with its coinage, resumed specie payments, has had an unbroken progress in prosperity, in wealth and in its greater and greater mastery of the money question. It is disturbed by no new troubles at home, but it has waited until the mischiefs of disordered money should make themselves more apparent to the appreciation, or at

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least to the responsibility, of the European nations. And now how different an aspect from that of the former Conference does this assemblage, which I have the honor of addressing, present to-day to the nations of the world! Germany is represented. Germany exhibits an appreciation of the disastrous outlook, and its desire that the money of the world should be put upon a better footing. Germany gives good wishes and sympathy toward the success of any such movement. But Germany, besides, proposes to take, by such means as are within its competency, in deference to its domestic affairs, some share of the burden, to bring some force toward the energy which is to furnish relief, some contribution toward the result aimed at. I gather that when a great power like Germany sees an object to be desirable, commits to it its good wishes, gives it its sympathy and promises its contributory aid, it is committed to the success or the failure that may attend the movement. It is not for a great power to desire, to applaud, to approve, to give help to a movement among the nations and then to have it fail. It is not for a great power, in a common object, a common benefit, to be satisfied to contribute inadequate, inappropriate or unseasonable means. Great Britain, for India and for Canada, presents most effective concurrence and most important aid in the propositions and in the movement which we have at heart. For itself, in words not of mere courtesy, but of substance and sincerity, Great Britain says by its own delegate that it will lend an interested ear, give a responsible attention, to whatever this Conference shall propose. France, no longer expectant, is in full accord with the United States in the promotion of the Conference, in the matters, in the purposes, in the principles, in the *sine qua non* upon which success depends. All the other nations are represented by able advocates and experienced men of affairs, who take an active part in the deliberations on the mischiefs, in an estimate of the methods of their cure, and show in all things a purpose to conciliate and not to aggravate differ-

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ences of opinion or policy and to reduce the opportunities of discord. When the United States, too, presented itself at the last Conference, the aspect in which its participation seemed most to strike men was that it was in promotion of interests that might be natural and honest, but were limited and special—I mean its production of silver and considerations connected with its public debt. The magnitude of this debt, the necessity of its payment by what was the money of the bond, that is, by the silver or the gold money of the United States of ascertained weight and fineness, raised the suggestion that the performance of that obligation was expected to be assisted by remonetizing silver, by placing what was called the inferior metal, the cheaper metal, at the service of the government in the maintenance of the public faith.

Well, the representatives of the United States at the former Conference met and answered those suggestions, and the course of things in the United States since has dispersed all imaginations, even of their special or sinister objects in the matter, into thin air. The question now put to us is—as is obvious everywhere in the progress of this Conference—the question now put to us is, "Why is it that in your wealth, your strength, your manifold and flexible energies and opportunities in the conflicts and competitions of the system of nations represented here, why is it that you feel concern for mischiefs which carry no special suffering or menace to you or anxiety as to the methods of their cure, when you are so free-handed as to the methods and resorts of your choice? Why should these evils that have grown out of a short-sighted and circumspect policy, as you (the United States) think, why should you so persistently call upon all the nations to unite, and put yourselves, as it were, on the same footing of danger and solicitude with them?" The answer on our part is simple and honest. It needs no ingenuity to frame it, and it asks no special courtesy or confidence on your part to believe it. It is our interest in the commerce of the world; and we consider no question of

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the money of the world alien from that interest. Why should we not feel an interest, and an urgent interest, in the commerce of the world? We are seated on a continent, so to speak, of our own, as distinguished from Asia and Europe. We are nearer to Europe and to Asia than either is to the other, and if there is to be a great battle between Eastern and Western commerce and a public and solemn war declared between the silver of the East and the gold of the West, who so likely to make the profit of the interchange between those moneys, and necessarily, therefore, of the interchange between the commodities that those moneys master?

But there is another striking position of our country, not geographical. It is that we more than all nations, perhaps first of all nations, in the history of the development of commerce, that our nation holds, in either hand, the great products of staples, of raw material, and the great, the manifold, the varied products of skilled industry, which we have developed and organized, and in which we contest with Europe the markets of the world. We propose to furnish the products of our agriculture, which feed in so great share the laborers of Europe and the machinery of Europe, as inexorable in its demands as the laborers, and we propose also to deal with the world at large in the skilled products or industry in every form applied to those raw materials, and prosecuted under the advantages of their home production. We contemplate no possibility of taking place with the less civilized or poorer nations, to sit at the feet of the more civilized and richer nations. We have no desire to place ourselves, on the side of skilled industry, in the position of a superior nation to inferiors, though they may depend on us for this supply. We occupy, quite as much as in our geographical position, in this aspect, toward the different forms of wealth, production, and industry, an entirely catholic and free position, having no interest but the great interest that all nations, as far as money is concerned, should not be embarrassed in trading with us, and

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that we, so far as money is concerned, should not be obstructed in selling our raw products to the skilled nations of Europe, or the products of our industry to the consumers in less developed nations.

Besides this equilibrium of selfishness, which makes the general good our good, we are free from any bias in the matter of the production of the precious metals, trivial as that is in comparison with the immense and fervid march of commerce. We produce the two metals equally. Out of the same prolific silver mines even, the same ore gives us fifty-five per cent of silver and forty-five of gold. How could you imagine a nation in regard to its production of the precious metals more indifferent as to which is made the master of the world? It is a bad tyranny that we resist. It is the possession of freedom and of power in the commerce of the world by the service of both these metals, in place of the mastery of either, that we advocate.

What, then, are the functions and service of money, not in the abstract, but in reference to the actual development of the industries and commerce of the world? What in the present and what in the near future are the conditions under which this office and service of money are to be performed? What are the impediments that exist either in the natural properties of the metals or in the habits, the associations, the repugnances, the preferences of mankind? What in its history, what in its institutions, are the embarrassments in regard to what as an abstract idea every one must applaud and every one must maintain to be a desideratum, a fixity of the unit of money all over the world? What, in a word, has already been done in the progress of affairs toward this desideratum? What remains to be done? What is there within the resources of courage and wisdom in the voluntary action of the nations? What is it competent, within the courage and wisdom of this Conference, for it to propose that shall accomplish, or shall promise, or shall tend to accomplish this great result of placing the money of the world abreast with its burdens

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and responsibilities and untrammelled in the discharge of them?

It is hardly necessary to recapitulate the principal duties of money, but they have always been of a nature that presented itself in a double aspect. From the time that money needed to be used in any considerable volume, and for any considerable debts among the advancing nations of the world, there never has been a time in which the money for man's use did not present itself in reference to its service and duties in two aspects. One is to deal with the petty transactions of every day and neighborhood use, where the smallness of transactions required money susceptible of easy divisions; the other, for a transfer in larger transactions, required money to be used in the mass and with a collective force, money that was capable of easy multiplication and of easy management in aggregate values. But, besides that, there soon came to be a use of money between the distant parts of one country and between distant countries, and so an opportunity for disparity in the treatment of money in these opposing aspects, with no longer a common sovereignty that could adjust them one to the other. In the progress, so rapid, so vast, so wide, of the interchange of the products and industries of the world, there came to intrude itself, more and more necessarily and familiarly, the elements of distance in space and remoteness of dates of beginning and closing transactions. These developments of commerce alone embarrassed both of these moneys in the discharge of their double duty, were there no exposure to discord between themselves. But long ago this ceased to be the limit of the trouble. The actual service of intrinsic money in the transaction of the petty traffic and the great commerce of the world, in providing for its own transfer from place to place, within a nation, or from country to country, across the boundaries or across the seas, made it impossible for the volume of both the metals that the bounty of nature could yield to the urgent labor of man to perform the task. Every form and device of secondary

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money, of representative money, which the wit of man could compass, and which could maintain its verity as money by its relation to the intrinsic money of the world, was brought in to relieve the precious metals from the burden under which, unaided, they must have succumbed. All these forms, whether of bills of exchange to run between country and country, or of notes or checks at home, or of paper money—all are but forms of credit. While, then, they relieve intrinsic money from the intolerable burden of actually carrying the transactions of the world, they burdened it, so to speak, with moral obligations which it must discharge. All this vast expense of credit in the developed commerce of the world rests finally upon the intrinsic money of the world, and if you would have fixity, unity and permanence in the credit operations of the world, there must be fixity, unity and permanence in all the intrinsic money of the world upon which that credit rests. This credit is, almost without a figure, a vast globe, and this service of the precious metals to sustain it is that of an Atlas, upon whom the whole fabric rests. The strength of both arms, nerved by a united impulse of heart and will, is indispensable; neither can be spared. Consequently, if there should be any considerable failure in their force, or any waste of it by antagonism between the metals making up the intrinsic money of the world, the credit of the world is deprived of what nature in supplying the two precious metals, and human wisdom in regulating them, together, are competent to supply for its maintenance.

In the deliberations of the former Conference and the agitation of the subject since in the several countries now engaged to concert anew some method for relieving the existing difficulties, all these general traits of the subject I have named, all these burdens, and all these essential ideas, seem, in the abstract, to be commonly accepted by the world. Nature has given and still supplies us with adequate material for our money as its share in the proposed transaction; reason has been developed, the power of gov

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ernment in the nations convened has been brought to its highest force, not of caprice or dominion, but of the expressions of the will and wisdom of the people themselves. With these resources for its correction, our first duty is to look at the nature of the evil and its extent. A very interesting and very clear-sighted examination of the subject, in this light, has been presented to us by the honorable delegate from Belgium, Mr. Pirmez. He naturally and wisely has thought that, as preliminary to the provision of means for correcting the mischief, we ought to be sure that the mischief exists. The view presented with so much interest and force by Mr. Pirmez was to bring this into doubt and bid us to consider whether we are not really under some serious misapprehension respecting the gravity of the situation. A story is told of one of my countrymen that, alarmed at home by failing eyesight, and frightened into a dread of blindness, unwilling, even, to admit to his family or friends the possibility of such a calamity overtaking him, he took passage for Europe, to be able to consult the famous oculists on this side of the water on his disastrous condition without revealing it at home. The oculist relieved his fears at the expense of his intelligence. He assured him that so far from cerebral or nervous disease causing his difficulty and threatening him with greater calamity, all that ailed him was that he had reached a time of life when the sight needed to be reinforced by spectacles! Now, we delegates of the United States, it would seem, have come across to this Conference to learn that all our anxieties will be dispelled by the simple remedy of putting on Mr. Pirmez's spectacles. That, seen through them, all the disorders which had excited our solicitude will disappear.

But, after all, Mr. Pirmez is scarcely willing to treat the anxieties and fears of the nations as wholly chimerical. His division of the countries into three groups, whose distinctions he describes, at least admits a difference in the degrees of satisfaction and safety in which they may safely rest. Mr. Pirmez thinks that his first group, that is, the

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gold nations, are in all respects safe, secure, contented; that they see no reason to change and give no prospect that they will change. But, then, this group of gold nations really ends with the Scandinavian States, Sweden, Norway and Denmark, and with Portugal. Their repose and serenity, it is said, are due to their shelter under the protection of the gold theory. It seems to me, rather, that these fortunate nations enjoy the happy position which Homer's famous simile has made known to mankind, of those who from a high promontory watch the naval engagement below in its dangers of battle and of shipwreck, secure against either. It seems to me that when he comes to apply his proposition of the gold basis being safety, it limits itself to those nations who, happily for themselves, are not largely involved in the strifes or vicissitudes which attend the vast transactions in which the capital, industries and commerce of the great nations are involved. No doubt their health, their repose, their serenity are just subjects of satisfaction to themselves, and of envy to their troubled neighbors. Nevertheless, their experience does not go far to solve the question whether resort to the gold standard will help those who need help. "They that are whole need not a physician, but they that are sick." When we turn from this ease and serenity to the discomforts and dangers that affect countries like England, the great gold nation, and Germany, the recent convert, it is admitted that there is disturbance, that there is anxiety, that there is dislocation, that there is need and that there is hope of an improvement in their money system.

Another of Mr. Pirmez's groups is that of the paper money countries, which includes two of the Latin Union states, Italy and Greece. These, too, are as much in repose and have as few solicitudes, Mr. Pirmez thinks, as the Scandinavian countries, but for the opposite reason. For, if the first group, the Scandinavian, are in health, the second group, the paper money states, are in collapse. We have, then, nothing left but the great nations still holding

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specie payments, and struggling to master the problems both of money and commerce, which, he says, are affected more or less, but not so much as they suppose. His explanation of our being disturbed and solicitous is that France, the Latin Union, Germany, England and the United States —for I suppose we fall within this group—is that we have still in our system the virus and the infection of the double standard. It is the legacy which we have inherited from that standard that mars the peaceful simplicity and harmony of action in our monetary affairs, the want of which makes us dissatisfied. This being so, Mr. Pirmez triumphantly exclaims: "If you are suffering from too much silver, what a strange proposition it is that you make to improve your condition by increasing the amount of it." But our proposition, even if we accept his statement of the mischief now played by silver, if applied to the facts of the situation as he construes it, would be: "We are suffering —the world is suffering—from discredited, demonetized silver, and the remedy that we propose is to accredit the discredited and rehabilitate the demonetized money." The tables cannot thus be turned upon us. No man can charge upon the bimetallists the responsibility of wanting more discredited or more demonetized precious metal in the world.

We must, then, proceed with our deliberations to find a remedy for acknowledged evils and evil tendencies. Even Mr. Pirmez's cheerful estimate of the situation scarcely satisfied him that there might not and should not be some improvement in the condition of things. I am sure it did not satisfy this Conference, nor will it the nations whom we represent, that our service and our deliberations are superseded by the disappearance, under our debate, of the mischiefs in the monetary condition which we were called together to meet and correct. I need hardly argue that if the nations here represented, fifteen states in all, if their delegates recognize the fact that there are evils now present, that there are greater evils threatened, then it be-

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comes us to undertake to advise these governments—and it becomes these governments to take such action as their wisdom and responsibility suggest—to correct these mischiefs and reduce the disorder in the money system of the world by such means as they shall approve as most suitable, most promising, for the desired result. Now, there are but two logical methods in which this disorder between gold and silver, this depreciation of their general and combined functions, this struggle between them, can be put an end to. One is to admit, as the intrinsic money of the world, only one metallic basis, and to drive out, extirpate, as a barbarism, as an anachronism, as a robber and a fraud, the other metal, that, grown old in the service and feeble in its strength, is no more a help but a hindrance and a marplot. That is a task that might be proposed to the voluntary action of nations, and if the monometallic proposition be the true one, that is the logical course to which the nations we represent ought to resort, unless they take the only other logical alternative—that is, to make one money out of the two metals, to have no two standards or kinds of money, but one money, adapted in its multiples and divisions to the united functions of the two precious metals.

I have said that these two are the only logical methods. There is another method, and that is, in despair of making one money out of the two metals, to make two moneys out of them. This project is not to discard either from the service of mankind, but to separate them, and so mark them as that they shall not occupy the same regions, but divide the world between them. For the working of this scheme, it is proposed that in some fashion a partition shall be made among nations, or sets of nations, and a struggle for the metals be set on foot to reach an equilibrium or alternating triumph, or undergo such fluctuations or vicissitudes, or enjoy such a degree of permanence as fortune, out of the chaos, may offer to mankind. This scheme might well be defined as harmonious discord and organized

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disorder. But this is nothing but a conclusion that although there is an intolerable evil, it is not within the compass of human wisdom or human strength or human courage to attempt to remedy it. This conclusion would leave things to take care of themselves. This notion found expression in the sentiments declared by some of the Powers at the Conference of 1878. The hopeful expectation that was then indulged, that things would take care of themselves, has not been realized. Experience since has shown an aggravation of the mischief, a continued and widening extension of its pressure, and produced another appeal to the wisdom and courage of the nations to redress it, under which this Conference has been convened.

But there is, confessedly, a great difficulty in arranging this partition of money among the nations. I will not enlarge upon the difficulty; it has already been sufficiently pointed out. It is inherent and ineradicable. Its terms cannot be expressed by its champions. Sometimes it is spoken of as a division between the Asiatic and the European nations; sometimes as a division between the rich nations and the poor nations; sometimes as a division between the civilized and the less civilized nations. There seems to have been an easy confidence that these groups could be satisfactorily arranged for a reasonable equality in the battle of the precious metals. But I have been puzzled to know, and no one has distinctly stated, where the United States were to be arrayed. No one has ventured to determine whether they are to be counted as a rich nation or as a poor nation; whether as an Asiatic or a European nation; whether as a civilized or an uncivilized nation. Yet I think it would be no vain assumption on the part of the United States to feel that any settlement of the money questions of the world that leaves us out and our interest in them, and our wisdom about them, will not be the decree of an ecumenical council, or establish articles of faith that can be enforced against the whole world. The notion seems to be that the nations that sit above the salt are to be served with gold, and the

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nations that sit below the salt are to be served with silver. But who is to keep us in our seats? Who is to guard against an interruption of the feast by a struggle on the part of those who sit below the salt to be served with gold, or of those above the salt to be served with silver? This project purports to have neither wisdom nor courage, neither reason nor force, behind it. It is a mere fashion of speech for saying that we cannot by human will, by the power or the polity of nations, redress the mischief, but that we must leave the question to work itself out in discord, in dishonor, in disorder, in disaster.

This brings us fairly to consider how great the task is which is proposed for reason and for law to accomplish. How much is there wanting in the properties of these two metals, how much is missing from the already existing state of feeling, of habit, of the wishes and the wisdom of the world at large, and in the common sense of mankind as exhibited in history or shown to-day, that stands in the way of the common use of the two precious metals to provide the common necessity of one money for the commerce of the world?

The quarrel with nature seems to be with its perverse division of the necessary functions of money between the two precious metals. In their regret that nature has furnished us silver and gold, with the excellent properties of each, instead of one abundant, yet not redundant, metal that would have served all purposes, the monometallists strive to correct this perversity of nature by using only the not abundant gold and discarding the not redundant silver. Well, I do not know but one might imagine a metal, a single metal, that would combine all the advantages which these two metals in concert have hitherto offered to mankind. It may be within the range of imagination to conceive of a metal that would grow small in bulk when you wanted it to aggregate values, and grow large when you wanted to divide it into minute values. Yet, as I think, the mere statement, to the common apprehension of mankind,

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describes what we should call a perpetual miracle, and not an order of nature. Now, if such a metal is a mere figment of the imagination, if no such metal with these incompatible qualities is found *in rerum natura*, how are we going to dispense in our actual money with that fundamental, inexorable requirement of intrinsic money, a physical capability of multiplication and of division to serve these opposite uses? Why not then accept the reason, accept the duty, of treating these two metals, in which combined nature has done the utmost for this special need of man, by supplying the *consensus* of positive law, that single *nexus* between them, that fixity of ratio by which they two shall be one money at all times and everywhere; by which silver, when its multiplication becomes burdensome and unmanageable, loses itself in the greater value of gold; and gold, when its division becomes too minute and trivial, breaks into pieces of silver. What nature, then, by every possible concurrence of utility has joined together, let no man put asunder. It is a foolish speculation whether *in rerum natura* a metal might have been contrived combining these two opposing qualities. Let us accept the pious philosophy of the French bishop as to the great gift of the strawberry: "Doubtless God Almighty might have made a better fruit than the strawberry, but doubtless He has not."

This brings us to the essential idea which lies at the bottom of this effort at unity of money for the nations, the capacity of law to deal with the simple task of establishing a fixed ratio between the metals, so that their multiplication and division should make but a single scale. This, Mr. Pirmez would have us understand, would prove an ineffectual struggle of positive law against the law of nature. It is thus he denounces the attempt at a practical *nexus* between these metals by reason, which could not be supplied by the physical properties of matter. To me it seems to require no more than law and reason and the wit of man can readily supply, and have constantly supplied, in innumerable instances, and it should not be wanting

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here. The reason of man must either, in this instance, take the full bounties of nature and providence, or must reject them, as the gross and ignorant neglect all the other faculties that are accorded to human effort and to human progress by the beneficence of God. Bring this matter to the narrowest limits. Here is a gap to be filled. Shall we supply it? Will you insist upon what is called one standard and have two moneys, or will you insist upon two standards with the result of one money? But one money is the object. All question of standards, one or two, is but a form and mode by which we may reach what we desire—one money. I insist, and challenge a refutation, that at bottom the theory of a gold standard is the theory of two moneys. It is the theory of discord between the metals. It is the theory of using one to buy the other, and robbing the exchange of commodities of what it requires to the utmost, the double strength, the double service of the two metals to buy and sell, not one another, but the commodities of the world.

But it is said that this pretence, that law can regulate the metals in their uses as money, involves a fundamental error in this, that money is itself a commodity, and that law cannot regulate the ratio of the two metals as money any more than apportion values between other commodities. Well, silver and gold as they come from the mine no doubt are commodities. There might be imagined a metal that, besides having all the qualities which make it useful to men for money, might also miss all the qualities that would make it useful for anything else. You might have a metal suitable in all physical properties of gold and silver that was neither splendid for ornament, nor malleable, nor ductile for use; you might have a gold that did not glitter to the eyes, and a silver that did not serve to the use. In such case the confusion between gold and silver money, and gold and silver in their marketable uses, would be avoided. But, as a matter of fact, besides the good qualities which benign nature has infused into these metals for

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our service as money, they have, as well, the properties which make them valuable in vulgar use. These latter uses, no doubt, in the infancy of mankind, directed attention to the recondite properties which fitted them for the institution of money, which later ages were fully to understand.

Although, then, the precious metals, in their qualities as metals, may remain commodities, whenever the act of the law, finding in their properties the necessary aptitudes, decrees their consecration to the public service as money, it decrees that they shall never after, in that quality of money, be commodities. In the very conception of money, it is distinguished from all exchangeable, barterable commodities, in this, that the law has set it apart, by the imprint of coinage, to be the servant of the state and of the world in its use as money, and to abstain from all commixture, as a commodity, with the other commodities of the world. Wherever and howsoever this ideal of money fails to be real, it is because the law is either inefficient within its jurisdiction, which is its disgrace, or because its jurisdiction is limited territorially, and its vigor fails beyond the boundaries. In the latter case, I agree, silver or gold, in the shape of the coinage of one country or another, may become merchandise to be bought and sold, in other countries, as a mere money metal. Manifestly these exposures to demonetization beyond the boundaries, because the legal force which has made the metal money stops with the boundaries, is the main cause of the mischiefs in the monetary systems of the world which need redress. The cause understood, the cure is obvious. It is to carry, by some form of *consensus* among governments, the legal relations between the two metals, in their employment as money, beyond the boundaries of separate systems of coinage. These legal relations between the metals once fixed, no important evasion of it would be possible, and no serious disturbance of it could arise from diversities of

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coinage. It is for this result and by this means that we are striving.

But law, it is said, is inadequate in its strength, in its capabilities, in its vigilance, in its authority, to accomplish so great, so benign a result. It was accomplished up to the year 1870, by even the informal concurrence among the nations which till then subsisted. The spirit of the present age has led to manifold international applications of positive law on other subjects than money, while there is no subject to which its application is so important, or, within limits, so easy, as money. For want of this *consensus*, the necessary conception of money, the institution of money, the consecration of money, is defeated, *pro tanto*, when any portion of the money loses its prerogative and incommunicable function of buying and selling all, and becomes purchasable or vendible. Whenever any portion of the money which should be used as the solvent for the exchange of commodities, turns into a commodity, it thereby not only diminishes the force and volume of money, but adds to the weight and value of exchangeable commodities. It is as little a condition of health, and may lead to as great calamities, as if the fevered blood should burn the tissues of the vital channels through which it circulates, or as if the coats of the stomach should turn to digesting themselves.

To me it seems certain that the nations must contemplate either the employment of the two metals as the intrinsic money of the world, upon a fixed, efficient concord and co-operation between them, or their surrender to perpetual struggle, aggravating itself at every triumph of one over the other, and finally ending in that calamity which overtakes, sooner or later, those who care not to use the bounties of nature according to the gift and responsibility of reason. I can see nothing valuable in the treatment of this subject which would leave the broken leash, which so long held together these metals, to be repaired by chance, or the contest to be kept up at the expense of that unity, concord, common advantage and general progress among

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nations, which is the ideal and the hope, the pride and the enjoyment, of the age in which we live.

Mr. Pirmez, however, would have us understand that this simple law of fixing the ratio between the metals, to be observed among concurring nations, although this *consensus* should include all the nations most engaged in the interchanges of the world, would be powerless because it would be opposed to the law of nature. The law of nature, no doubt, has made two metals, but according to the best inspection of them by science and common sense the law of nature has made them as little diverse as possible compatibly with their best use as money. I agree that there may be foolish laws. There may be laws theoretically wise, but which, by the lawgiver not computing the difficulties to be overcome, or the repugnances that will resist their execution, are unwise for the time and the circumstances to which they are applied. I believe, as Mr. Pirmez does, that an ill-matched struggle between arbitrary decree and the firm principles of human nature will result in the overthrow of the law. But that doctrine, at bottom, if you are to apply it without regard to the very law and without measuring the actual repugnance and resistance it has to meet, is simply impugning civilization for having fought with nature, as it has done from the beginning. We had some years ago a revenue law in the United States, called forth by the exigencies of war expenditure, by which we undertook to exact a tax of $2 a gallon on whiskey, yet whiskey was sold all over the United States, tax paid, at $1.60 a gallon. This was a case of miscalculation of how far authority could go against a natural appetite and a national taste. When we reduced the tax to sixty cents on the gallon, the law triumphed over this opposition of appetite and cupidity, and produced an immense revenue to the Treasury. It is the old puzzle how to reconcile the law of nature, that abhorred a vacuum, with its ceasing to operate beyond thirty-three feet in height. This was solved by the wise accommodation between philosophy and fact, that

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nature abhorred a vacuum, to be sure, but only abhorred it to a certain extent. As I have said, the informal, the unconscious, the merely historical and traditionary *consensus* of mankind made and maintained an equilibrium between the metals among the nations up to 1870. With more vigorous aid from positive law, that "written reason" which, Mr. Pirmez says, is all the law there ever is or can be, I cannot but anticipate the suppression of the discord and struggle between the moneys of the world which now trouble commerce.

In my judgment, the progress which has been made here, the comparison of opinions, the indication of the interests of governments behind, all point to a general desire for a good result from our deliberations which is an augury of success, for "where there's a will there's a way." I cannot believe that England can long occupy the position of estrangement from either of the systems about which we debate. The British Empire is neither monometallist nor bimetallist, but bimonometallist. The British Empire cannot be monometallist gold nor monometallist silver throughout its length and breadth. Its present position of bimonometallism is entirely inconsistent with reason and with government. It must be bimetallic sooner or later, for it cannot maintain the permanent position of a house divided against itself, which cannot stand. At this stage, then, of the deliberation, without entering into a discussion of details, it seems to me that the moment is most opportune and the spirit most excellent for a recess of some weeks. In this interval we may expect a definite and practical consideration by the various governments of what the duty and interest of each require from it toward the common end they desire.

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